

Brian K. Mazen (Bar No. 130777)
 BMazen@mmhlhp.com
 Frederic Esrailian (Bar No. 232799)
 FEsrailian@mmhlhp.com
 MESERVE, MUMPER & HUGHES LLP
 300 South Grand Avenue, 24th Floor
 Los Angeles, California 90071-3185
 Telephone: (213) 620-0300
 Facsimile: (213) 625-1930

Attorneys for Plaintiff
 UNION SECURITY INSURANCE COMPANY

UNITED STATES DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA
 SAN JOSE DIVISION

UNION SECURITY INSURANCE
 COMPANY,

Plaintiff,

vs.

DAWN MICHELLE PETITCLERC;
 TARA PETITCLERC; and DEBRA
 CLASEN,

Defendants.

Case No. C06-06905 JW (RS)

STIPULATION AND [PROPOSED]
 ORDER RE DISCHARGE OF
 PLAINTIFF UNION SECURITY
 INSURANCE COMPANY AND FOR
 REIMBURSEMENT OF ATTORNEYS
 FEES

Plaintiff in Interpleader UNION SECURITY INSURANCE COMPANY
 (hereinafter referred to as "USIC"), formerly known as FORTIS BENEFITS
 INSURANCE COMPANY, by and through its counsel of record, Meserve, Mumper
 & Hughes LLP, defendants DAWN PETITCLERC and TARA PETITCLERC
 (hereinafter collectively referred to as "the Petitclercs"), by and through their
 counsel of record, Ferrari Ottobani, LLP, and defendant DEBRA CLASEN
 ("Clasen"), by and through her counsel of record, Kelly Jackson & Christianson,
 LLP (hereinafter collectively referred to as the "Parties"), hereby stipulate to the
 following:

1. In dispute are the life insurance proceeds payable under a group life
 insurance policy, number 4046857 ("the Policy"), issued to Triformix, Inc.

1 (“Triformix”), the employer of Darwin Petitcherc, the individual whose death gave
2 rise to the death benefits at issue in this action. Darwin Petitcherc is the father of
3 Dawn Petitcherc and Tara Petitcherc.

4 2. Darwin Petitcherc died on July 9, 2006. On or about July 26, 2006,
5 Dawn Petitcherc submitted a letter to USIC indicating that her father was unmarried,
6 and that she and her sister, Tara Petitcherc, were his sole heirs.

7 3. On or about August 14, 2006, USIC received, among other things, a
8 letter from Clasen’s Texas attorney, Eustorgio Perez, stating that Clasen was the
9 “wife” of Darwin Petitcherc and the sole beneficiary under the Policy.

10 4. On or about September 5, 2006, USIC received a Claimant Statement
11 dated September 2, 2006, from or on behalf of Darwin Petitcherc’s “wife/spouse,”
12 Clasen. In the Claimant Statement, Clasen requested all of the proceeds of the
13 Policy.

14 5. On or about September 11, 2006, USIC received several documents
15 from or on behalf of the Petitchercs. Among those documents included Claimant
16 Statements from the Petitchercs, dated September 2, 2006, requesting all the
17 proceeds of the Policy. In addition, on or about September 11, 2006, USIC also
18 received several letters from Darwin Petitcherc’s family members contesting
19 Clasen’s contention that she was Darwin Petitcherc’s wife or spouse.

20 6. USIC’s investigation into the parties’ competing claims to the Policy’s
21 proceeds resulted in the receipt of letters and documents supporting both the
22 Petitchercs’ and Clasen’s (collectively referred to as the “Defendants”) entitlement to
23 the proceeds of the Policy. Specifically Clasen contends to be the lawful spouse on
24 the one hand, and the Petitchercs contend to be the living children and sole heirs on
25 the other hand.

26 7. USIC admits that there are proceeds payable under the Policy in the
27 amount of \$374,144.86, which includes interest from the date of Darwin Petitcherc’s
28 death through November 6, 2006 (when the funds were deposited with this Court).

1 USIC claims no beneficial interest in the proceeds due, as it is a mere stakeholder
 2 with respect to the proceeds owing under the Policy. USIC is at all times, has been,
 3 and is now ready, willing and able to pay the sum due under the Policy to the
 4 person(s) legally entitled thereto.

5 8. As a result of the conflicting claims of the Defendants, on November 6,
 6 2006, USIC filed a Complaint in Interpleader in this United States District Court for
 7 the Northern District of California. On November 6, 2006, USIC also deposited
 8 \$374,144.86 with the Clerk of this Court representing the life insurance proceeds
 9 payable under the Policy with interest. In depositing these proceeds with this Court,
 10 USIC requested that the deposited funds be placed in an insured interest bearing
 11 account.

12 9. USIC brought this Complaint in Interpleader in good faith and without
 13 collusion with any of the Defendants.

14 10. Clasen was served with a Waiver of Service of the Summons, through
 15 her Texas counsel, Eustorgio Perez, on November 21, 2006, which was executed
 16 and returned on December 28, 2006. Dawn Petitchlerc was served with the
 17 Summons and Complaint on December 6, 2006. Tara Petitchlerc was served with the
 18 Summons and Complaint on November 25, 2006. Pursuant to a Stipulation to
 19 Extend the Time to Respond to the Complaint, the Petitchlercs' response to the
 20 Complaint is due on February 5, 2007. Pursuant to a Stipulation to Extend the Time
 21 to Respond to the Complaint, Clasen's response to the Complaint is also due on
 22 February 5, 2007.

23 11. The Parties involved in this action recently reached a settlement
 24 agreement regarding USIC's release, discharge and recovery of attorneys' fees
 25 associated with this action and the subject life insurance proceeds interplead and
 26 deposited with this Court. Pursuant to that agreement, the parties respectfully
 27 stipulate and request that this Court order the immediate release and disbursement of
 28 certain of the interplead funds, and order that the Clerk promptly remit to counsel

1 for USIC, Meserve, Mumper & Hughes LLP, one (1) check draft made payable as
2 follows:

- 3 a. Four thousand five hundred dollars (\$4,500.00) of the
4 interplead funds shall be made payable to "Union
5 Security Insurance Company" for attorneys' fees incurred
6 by USIC in this action.

7 12. It is further stipulated that USIC and its owners, shareholders, partners,
8 officers, directors, employees, agents, general agents, legal representatives,
9 predecessors, successors, assignees, parent corporations, subsidiaries, affiliates,
10 attorneys, re-insurers, and insurers are released and discharged from any and all
11 further liability to each of the Defendants in this action, and any other persons or
12 entities whether claiming by, through, or under any of said individuals, in any way
13 arising out of or in any way connected with the Policy, the proceeds payable under
14 the Policy, this interpleader action, and the facts set forth herein. A dismissal and
15 discharge of USIC will allow the Defendants in interpleader to litigate and/or
16 otherwise resolve their respective entitlements to the proceeds on deposit with this
17 Court. USIC will be bound to comply with any validly served, enforceable
18 subpoena, independent of this release.

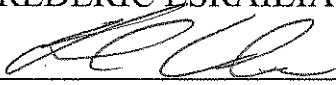
19 13. It is further stipulated that each and every Defendant is
20 enjoined and restrained from instituting, prosecuting or taking any further
21 steps, actions or proceedings against USIC and/or its owners, shareholders,
22 partners, officers, directors, employees, agents, general agents, legal
23 representatives, predecessors, successors, assignees, parent corporations,
24 subsidiaries, affiliates, attorneys, re-insurers, and insurers in any action, suit
25 or proceeding, in any way arising out of or in any way connected with the
26 Policy, the proceeds payable under the Policy, this interpleader action,
27 and/or the facts set forth herein.

1 14. The Parties to this action hereby further agree to execute any
2 additional or further documents to demonstrate that this Stipulation was entered into
3 in good faith, and, if necessary, to further assist USIC in obtaining its attorneys'
4 fees from the interplead funds as set forth herein.

5 15. The Parties hereby agree that this Stipulation may be executed in
6 counterparts by each of the parties hereto.

7
8 Dated: February 6, 2007

MESERVE, MUMPER & HUGHES LLP
BRIAN K. MAZEN
FREDERIC ESRAILIAN

9
10 By: 
11 Frederic Esrailian
12 Attorneys for Plaintiff
13 UNION SECURITY INSURANCE
14 COMPANY

15
16 Dated: February __, 2007

FERRARI & OTTOBANI LLP
DON McNEIL
LAURA LICCARDO

17 By: _____
18 DON McNEIL
19 Attorneys for Defendants
20 DAWN PETITCLERC, and TARA
21 PETITCLERC

22
23 Dated: February __, 2007

KELLY JACKSON & CHRISTIANSON
LLP
CLAY CHRISTIANSON

24 By: _____
25 Clay Christianson
26 Attorneys for Defendant
27 DEBRA CLASEN
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10 By: _____

Frederic Esrailian
Attorneys for Plaintiff
UNION SECURITY INSURANCE
COMPANY

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LAURA LICCARDO

14
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DON McNEIL
Attorneys for Defendants
DAWN PETITCLERC, and TARA
PETITCLERC

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18
19 Dated: February __, 2007

KELLY JACKSON & CHRISTIANSON
LLP
CLAY CHRISTIANSON

20
21
22 By: _____

Clay Christianson
Attorneys for Defendant
DEBRA CLASEN

1 or proceeding, in any way arising out of or in any way connected with the
2 Policy, the proceeds payable under the Policy, this interpleader action,
3 and/or the facts set forth herein.

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5 additional or further documents to demonstrate that this Stipulation was entered into
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13 By: _____

Frederic Esrailian
Attorneys for Plaintiff
UNION SECURITY INSURANCE
COMPANY

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DON McNEIL
Attorneys for Defendants
DAWN PETITCLERC, and TARA
PETITCLERC

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21
22 Dated: February 6, 2007

KELLY JACKSON & CHRISTIANSON
LLP
CLAY CHRISTIANSON

23
24
25 By: _____

Clay Christianson
Attorneys for Defendant
DEBRA CLASEN

ORDER

Based upon the foregoing Stipulation of the parties, and good cause appearing:

IT IS HEREBY ORDERED that the Complaint in Interpleader was properly brought by UNION SECURITY INSURANCE COMPANY (hereinafter referred to as "USIC"), formerly known as FORTIS BENEFITS INSURANCE COMPANY, and the sum specified in this Stipulation, previously deposited with the Clerk of this Court, represents the proceeds and interest payable under the Policy as a result of the death of Darwin Petitcher.

IT IS FURTHER ORDERED that USIC shall be immediately reimbursed from the funds interpleaded and deposited with this Court in the amount of \$4,500.00 for attorneys' fees incurred by USIC in this action, and that the Clerk of this Court shall promptly remit to counsel for USIC, Meserve, Mumper & Hughes LLP, one (1) check draft made payable to "Union Security Insurance Company" in the amount of \$4,500.00.

IT IS FURTHER ORDERED that USIC and its owners, shareholders, partners, officers, directors, employees, agents, general agents, legal representatives, predecessors, successors, assignees, parent corporations, subsidiaries, affiliates, attorneys, re-insurers, and insurers are released and discharged from any and all further liability to each of the Defendants in this action, and any other persons or entities whether claiming by, through, or under any said individuals, in any way arising out of or in any way connected with the Policy, the proceeds payable under the Policy, this interpleader action, and the facts set forth herein.

16. IT IS FURTHER ORDERED that each and every Defendant is enjoined and restrained from instituting, prosecuting or taking any further steps, actions or proceedings against USIC and/or its owners, shareholders, partners, officers, directors, employees, agents, general agents, legal representatives, predecessors, successors, assignees, parent corporations, subsidiaries, affiliates, attorneys, re-insurers, and insurers in any action, suit or proceeding, in any way

1 arising out of or in any way connected with the Policy, the proceeds payable under
2 the Policy, this interpleader action, and/or the facts set forth therein. USIC will still
3 be bound to comply with any validly served, enforceable subpoena, independent of
4 this Order.

5 IT IS FURTHER ORDERED that USIC shall be dismissed with prejudice
6 from this action and that the action shall proceed between the Defendants as to their
7 respective entitlements to the proceeds on deposit with this Court.

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9 Dated: February 23, 2007


HON. JAMES WARE
UNITED STATES DISTRICT COURT
JUDGE